

Message Text

UNCLASSIFIED

PAGE 01 EC BRU 08561 01 OF 02 042031Z

64

ACTION EUR-12

INFO OCT-01 IO-10 ISO-00 SS-15 SP-02 L-02 H-02 NSC-05

PA-02 PRS-01 SWF-01 AID-05 CEA-01 CIAE-00 COME-00

EB-06 FRB-01 INR-07 NSAE-00 RSC-01 CIEP-02 STR-04

TRSE-00 LAB-03 SIL-01 SAM-01 OMB-01 EA-10 NEA-10

IGA-01 EURE-00 /107 W

----- 107663

O P 041912Z NOV 74

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC PRIORITY 7729

DEPARTMENT OF AGRICULTURE WASHDC PRIORITY

USIA WASHDC IMMEDIATE

INFO AMEMBASSY LONDON

AMEMBASSY THE HAGUE

AMEMBASSY DUBLIN

AMEMBASSY COPENHAGEN

AMEMBASSY BRUSSELS

AMEMBASSY PARIS

AMEMBASSY LUXEMBOURG

AMEMBASSY BONN

AMEMBASSY ROME PRIORITY

USMISSION GENEVA

USMISSION OECD PARIS

UNCLAS SECTION 1 OF 2 EC BRUSSELS 8561/1

STATE PASS WHITE HOUSE FOR STR

USIA FOR IPS/PE

ROME FOR SECRETARY BUTZ

E.O. 11652: N/A

TAGS: EAGR, ETRD, EEC, US, OVIP (BUTZ)

SUBJECT: SECRETARY BUTZ BRUSSELS PRESS CONFERENCE

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 EC BRU 08561 01 OF 02 042031Z

SECRETARY OF AGRICULTURE EARL BUTZ AND EC COMMISSONER LARDINOIS HELD A JOINT PRESS CONFERENCE IN BRUSSELS TODAY FOLLOWING MEETINGS BETWEEN SECRETARY BUTZ AND OFFICIALS OF THE EUROOPEAN COMMUNITIES. BUTZ, LARDINOIS ADOPT COMMON APPROACHES TO WORLD FOOD PROBLEMS BY JOHN HOLWAY, IPS STAFF WRITER

BRUSSELS, NOVEMBER 4 -- "THE UNITED STATES HAS A STRONG INTEREST IN EUROPEAN GRAIN MARKETS AND CAN BE COUNTED ON AS A DEPENDABLE SUPPLIER OF GRAIN FOR EUROPEAN CONSUMERS. WE PLAN TO KEEP OUR MARKETS OPEN WITH FREE ACCESS TO THEM", SAID US SECRETARY OF AGRICULTURE EARLY BUTZ HERE TODAY. HE MET IN BRUSSELS AT EUROPEAN COMMUNITY HEADQUARTERS WITH COMMON MARKET AGRICULTURAL COMMISSIONER PIERRE LARDINOIS, EC COMMISSION PRESIDENT ORTOLI, AND OTHER EC COMMISSIONERS ON HIS WAY TO HEAD THE AMERICAN GOVERNMT'S DELEGATION TO THE WORLD FOOD CONFERENCE WHICH OPENS TOMORROW IN ROME.

IN A JOINT PRESS CONFERENCE WITH MR. LARDINOIS, SECRETARY BUTZ REVIEWED EXPERIENCE UNDER THE RECENTLY-INSTITUTED US SYSTEM OF MONITORING GRAIN EXPORTS. HE SAID IN ALMOST EVERY CASE, INSTANT APPROVAL IS BEING GIVEN TO EXPORTERS. IN ONLY ONE OR TWO CASES HAS APPROVAL BEEN DELAYED WHEN AMERICAN OFFICIALS SUSPECTED THE GRAIN MIGHT BE DESTINED FOR TRANS-SHIPMENT.

FOR HIS PART, COMMISSIONER LARDINOIS PROMISED "A BETTER MONITORING SYSTEM ALSO ON THIS (EUROPEAN) SIDE OF THE ATLANTIC ON OUR IMPORT NEEDS AND OUR REAL CONTRACTS" FOR IMPORTS INTO THE EUROPEAN COMMUNITY COUNTRIES.

THE TWO MEN AGREED THAT THEY ARE "VERY, VERY CLOSE" ON MOST OF THE TOP ISSUES LIKELY TO ARISE IN ROME. MR. BUTZ SAID THEY FOUND IN THEIR TALKS TODAY THAT THEY ARE "NOT QUITE AS FAR APART AS WE THOUGHT", EVEN ON THE CONTROVERSIAL QUESTION, OF AN INTERNATIONAL FOOD STOCKPILE PLAN.

THE EUROPEAN COMMUNITY HAS LONG HELD OUT FOR A PLAN SIMILAR TO THE DEFUNCT COMMODITY AGREEMENTS IN WHEAT AND GRAINS. THE UNITED STATES HAS BEEN WARY OF ADOPTING ANY PRICING AND STOCKPILING SYSTEM THAT WOULD REVIVE THE UNCLASSIFIED

UNCLASSIFIED

PAGE 03 EC BRU 08561 01 OF 02 042031Z

MORE OBJECTIONABLE FEATURES OF COMMODITY AGREEMENTS.

MR. BUTZ TOLD THE NEWSMEN THAT THE UNITED STATES IS STILL OPPOSED TO COMMODITY AGREEMENTS "WITH SPECIFIC AND NARROW PRICE LIMITATIONS." BUT, HE SAID MR LARDIHOIS HAS AGREED TO NEGOTIATE PRIMARILY ON THE BASIS OF QUANTITY TARGETS. VERY BROAD PRICE LIMITATIONS WOULD BE SECONDARY TO QUANTITY.

"WE FIND THAT POSITION IS NOT VERY FAR REMOVED FROM

THE AMERICAN," HE SAID.

MR. LARDINOIS AGREED THAT "THE TIME IS RIPE" FOR SOME SORT OF RESERVE SYSTEM, WITH PAYMENTS TO BE SHARED BY MAJOR PRODUCERS AND CONSUMERS ALIKE. THE ONLY AREA OF DIFFERENCE SEEMS TO BE WHETHER THE SYSTEM SHOULD BE NEGOTIATED AS PART OF THE MULTILATERAL TRADE TALKS -- A POSITION THE E.C. FAVORS -- OR IN ANOTHER FORUM, AS THE UNITED STATES PREFERS.

THE TWO MEN ALSO AGREED ON ANOTHER VITAL ISSUE CERTAIN TO COME UP AT ROME -- AID TO LESS DEVELOPED NATIONS.

BOTH CALLED FOR A GREATLY INCREASED EFFORT BY ALL MORE FORTUNATE NATIONS TO HELP THESE NATIONS FEED THEMSELVES.

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 EC BRU 08561 02 OF 02 042044Z

64

ACTION EUR-12

INFO OCT-01 IO-10 ISO-00 SS-15 SP-02 L-02 H-02 NSC-05

PA-02 PRS-01 SWF-01 AID-05 CEA-01 CIAE-00 COME-00

EB-06 FRB-01 INR-07 NSAE-00 RSC-01 CIEP-02 STR-04

TRSE-00 LAB-03 SIL-01 SAM-01 OMB-01 EA-10 NEA-10

IGA-01 EURE-00 /107 W

----- 107806

O P 041912Z NOV 74

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC PRIORITY 7730

DEPARTMENT AGRICULTURE WASHDC PRIORITY

USIA WASHDC IMMEDIATE

INFO AMEMBASSY LONDON

AMEMBASSY THE HAGUE

AMEMBASSY DUBLIN

AMEMBASSY COPENHAGEN

AMEMBASSY BRUSSELS

AMEMBASSY PARIS

AMEMBASSY LUXEMBOURG

AMEMBASSY BONN

AMEMBASSY ROME PRIORITY

USMISSION GENEVA
USMISSION OECD PARIS

UNCLAS SECTION 2 OF 2 EC BRUSSELS 8561/2

MR. BUTZ WELCOMED THE E. C. DECISION TO SHIP ONE MILLION TONS OF GRAIN TO INDIA -- 300,000 TONS OF IT ON CONCESSIONAL TERMS, 700,000 TONS AT WORLD MARKET PRICES. FOR 25 YEARS, HE SAID, THE UNITED STATES HAS SENT 25,000 MILLION DOLLARS OF FOOD AID TO NATIONS AROUND THE WORLD.

"BUT OUR PROBLEM NOW," HE SAID, "IS TRADE, NOT AID."
"WE WANT THESE NATIONS TO BECOME PART OF THE COMMERCIAL SYSTEM OF THE WORLD."

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 EC BRU 08561 02 OF 02 042044Z

MEANTIME, RELIEF HELP MUST BE SHARED BY MORE NATIONS. HE PARTICULARLY MENTIONED THE OPEC COUNTRIES. IF OTHER NATIONS WILL DO AS MUCH AS THE UNITED STATES AND EUROPE ARE DOING. MR. BUTZ SAID, IT WOULD ALSO BE A BIG ENCOURAGEMENT TO THE U.S. CONGRESS TO VOTE ADDITIONAL FUNDS FOR U.S. AID.

ON U.S.-E.C. RELATIONS, MR. BUTZ FIELDLED A FLURRY OF QUESTIONS ON THE SUBJECT OF MILK AND MEAT IMPORTS. PRESIDENT FORD, IN A CAMPAIGN SPEECH BEFORE A U.S. FARM AUDIANCE LAST WEEK, HAD WARNED THAT THE ADMINISTRATION WILL PROTECT ITS FARMERS AGAINST LARGE INCREASES IN MEAT IMPORTS AND AGAINST SUBSIDIZED DAIRY EXPORTS, WHICH COME PRINCIPALLY FROM EUROPE.

THE SECRETARY STATED THAT BOTH QUESTIONS HAD BEEN THE SUBJECT OF MUCH DISCUSSION THAT MORNING IN HIS TALKS WITH MR. LARDINOIS. ON THE DAIRY QUESTION, HE POINTED OUT THAT U.S. MILK PRODUCERS HAVE BROUGHT SUIT IN A U.S. COURT TO FORCE THE PRESIDENT TO IPOSE COUNTERVAILING DUTIES, UNDER LAW, AGAINST SUBSIDIZED EXPORTS FROM EUROPE. THE COURT WAS ABOUT TO RULE WHEN THE E.C. WITHDREW ITS SUBSIDIES.

"I REALIZE THIS IS AN IRRITATING PROBLEM," MR. BUTZ SAID. THE UNITED STATES WILL BE READY TO PUT THE MATTER ON THE TABLE AT THE UPCOMING WORLD TRADE TALKS. HE INDICATED THAT IF THE UNITED STATES SHOULD AGREE TO END RESTRICTIONS ON DAIRY IMPORTS, "THEN I AM SURE WE WILL TAKE A NEW HARD LOOK AT THE QUESTION OF SUBSIDIZED SHIPMENTS, AS I'M SURE THE EUROPEAN SIDE WILL TAKE A LOOK AT THEM TOO."

ON MEAT, MR. BUTZ SAID THERE IS NO NEED FOR U.S. IMPORT QUOTAS "AT THE MOMENT." BUT AUSTRALIA IS COMING UNDER INCREASINGLY HEAVY SELLING PRESSURE AS ITS HERDS NOW ON PASTURE BECOME MARKETABLE. WITH MARKETS CLOSED TO THEM IN EUROPE AND JAPAN, THEY MUST EITHER SELL TO THE UNITED STATES -- WHICH HAS AN OVER-SUPPLY OF ITS OWN--

OR SELL TO THE SOVIET UNION AND EASTERN EUROPE, WHICH THEY
ARE INCREASINGLY DOING.(THESE COUNTRIES ARE
OUTLETS FOR EC STORED BEEF.)

"I THINK, " SECRETARY BUTZ SAID, "WE HAVE TO APPROACH
THIS (BEEF) PROBLEM TOGETHER, RECOGNIZE THAT IT IS A
WORLDWIDE PROBLEM, AND ACT IN CONCERT TO GET OURSELVES
OUT OF THIS OVERSUPPLY SITUATION"

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 EC BRU 08561 02 OF 02 042044Z

IN THE PRESS CONFERENCE AND LATER IN A LUNCHEON
SPEECH TO THE BRUSSELS AMERICAN CLUB AND THE AMERICAN
AND COMMON MARKET CLUB, MR. BUTZ REVIEWED THE RECORD OF
U.S. AGRICULTURAL PRODUCTION IN 1974. ALTHOUGHT WEATHER
CONDITIONS WERE WORSE THAN THEY HAVE BEEN FOR DECADES,
THE WHEAT CROP AS A RECORD AND RICE PRODUCTION, ANOTHER
RECORD, WAS 20 PERCENT ABOVE THAT OF 1973. WITH ALMOST
ALL PRODUCTION CONTROLS REMOVED, HE CONCLUDED, THE
UNITED STATES WILL BE BACK NEXT YEAR WITH LARGE
SUPPLIES FOR THE EUROPEAN AND WORLD MARKETS.
GREENWALD

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPORTS, COMMODITIES, AGREEMENTS, PRESS CONFERENCES, FOOD ASSISTANCE, GRAINS
Control Number: n/a
Copy: SINGLE
Draft Date: 04 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ECBRU08561
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740316-0152
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741174/aaaackyd.tel
Line Count: 247
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 23 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 SEP 2002 by chicheje>; APPROVED <11 DEC 2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SECRETARY BUTZ BRUSSELS PRESS CONFERENCE UNCLASSIFIED
TAGS: EAGR, ETRD, OVIP, US, EEC, (BUTZ)
To: STATE USIA
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005